

Audit and Governance Committee
Meeting to be held on 26 January 2015

Electoral Division affected: All

CIPFA Code of Practice – Managing the Risk of Fraud and Corruption
(Appendix A refers.)

Contact for further information:
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Executive Summary

The council has a responsibility to ensure it has effective counter fraud arrangements in place. To support organisations CIPFA have recently issued a voluntary code of practice entitled Managing the risk of fraud and corruption.

Recommendation

The Audit and Governance Committee is asked to consider the report and recommendations on counter fraud arrangements as set out in the report

Background and advice

The council has a responsibility to ensure it has effective counter fraud arrangements in place. To support organisations CIPFA have recently issued a voluntary code of practice entitled [Managing the risk of fraud and corruption](#).

The code consists of the following five key principles of counter fraud good practice:

- acknowledge the responsibility of the governing body for countering fraud and corruption;
- identify the fraud and corruption risks;
- develop an appropriate counter fraud and corruption strategy;
- provide resources to implement the strategy; and
- take action in response to fraud and corruption.

The code builds on existing CIPFA guidance, Managing the Risk of Fraud, commonly referred to as the Red Book and other counter fraud best practice advice such as the Protecting the Public Purse reports issued by the Audit Commission.

For each of the five principles the new code includes details of the specific elements that organisations should have in place. The internal audit service is responsible for co-ordinating the council's counter fraud work and we have assessed the council's current arrangements against each of these elements. The council already has adequate and effective counter fraud arrangements in place and as such is compliant with the vast majority of the code. We have identified three areas where our arrangements could be strengthened which are detailed below.

Details of our assessment can be found at Appendix A.

Recommendations for Consideration

1. The code recommends that a statement is included in the annual governance report stating that the organisation has adopted a response appropriate to the fraud and corruption risks it faces. The council's annual governance report for 2013/14 referred to the council's whistleblowing and counter fraud arrangements, however, consideration will be given to expanding this and including a reference to the CIPFA Code of Practice in future annual governance reports.

2. The council has an anti-fraud policy and strategy which was developed several years ago. Whilst these documents are relevant they need to be refreshed to reflect current arrangements. These will be reviewed by the end of March 2015.

3. To increase fraud awareness across the council it is proposed that staff in key roles complete a fraud awareness e-Learning course. A course has been developed by the National Fraud Authority and Deloitte and made available free of charge to local authorities. It is intended that this will be rolled out in April 2015 and made mandatory to the following groups of staff:

- budget holders;
- staff within county treasurers directorate; and
- staff within procurement, legal services, Your Pensions Service and payroll.

Consultations

Not applicable.

Implications

Not applicable.

Risk management

This report supports the Audit and Governance Committee in undertaking its role, which includes providing independent oversight of the adequacy of the council's governance, risk management and internal control framework.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
Not applicable.		

Reason for inclusion in Part II, if appropriate: Not applicable.